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OBSERVATIONS

ON THE

PRODUCE OF THE INCOME TAX,

&c. &c.

[*Price Two Shillings.*]

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OBSERVATIONS

ON THE

PRODUCE OF THE INCOME TAX,

AND ON ITS

PROPORTION

TO THE WHOLE

Income of Great Britain:

INCLUDING

IMPORTANT FACTS

RESPECTING THE

EXTENT, WEALTH, AND POPULATION

OF THIS

KINGDOM.

PART THE FIRST.

BY THE REV. H. BEEKE, B. D.

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LETTER

TO A

COUNTY MEMBER,

ON THE

MEANS OF SECURING A SAFE AND HONOURABLE

PEACE.

OBSERVATIONS,

&c.

PART I.

VERY ſoon after the Income Tax was firſt propoſed in the Houſe of Commons, the following remarks on ſome of the data made uſe of in eſtimating its produce were communicated to a friend, who requeſted my opinion on the ſubject. Since that time I have frequently reconſidered them. I have not the preſumption to call them any other than approximations to true ſtatements of the important queſtions which they attempt to explain; but I have found no reaſon to alter any one of the opinions which I then gave; and I am now induced to offer them to the public; in ſubſtance almoſt the ſame as when firſt written, though in a form ſomewhat different and more expanded.

Till very lately, the prevailing and almoſt univerſal opinion reſpecting this tax was, that its produce would conſiderably exceed the original eſtimate. That opinion is already much changed —it is a queſtion which muſt ſoon be decided; and if it ſhould be found that it really falls very ſhort of the ſanguine expectations of the public, deſigning men will have a pretence for inſinuating, and timid perſons may be induced to believe, that the reſources of this country have been much over-rated, and that our condition is by no means ſo wealthy or ſo powerful as has been repreſented.

On the contrary, I have been uniformly perſuaded that we are *more* powerful, have reſources more permanent, a population more numerous, and an income more conſiderable than the moſt enlarged computations which have been hitherto publiſhed; and I believe that I have the means of proving theſe facts beyond all future controverſy. But I have alſo been uniformly perſuaded, that the part of the national income which is made liable to the preſent tax, bears a far leſs proportion to the whole of it than has been conjectured;

and

and that its produce cannot greatly, if at all, exceed *ſeven millions*.

The miniſter of a great empire, eſpecially in times like the preſent, is placed in ſo arduous a ſituation; and the objects which have indiſpenſable claims to his attention are ſo numerous and ſo diverſified, that it would be greatly unjuſt to blame him for relying on thoſe opinions in queſtions of political arithmetic which are moſt generally adopted. The inveſtigation of their truth or falſehood is not the work of an hour; and requires a degree of leiſure from urgent buſineſs which is incompatible with ſuch a ſtation.

If I now preſume to publiſh my thoughts on the circumſtances which have occaſioned a miſapprehenſion reſpecting the produce of this tax, it is becauſe I hope that I ſhall be able to correct ſome very important miſtakes reſpecting the extent and the population of the kingdom, which have naturally led to erroneous conjectures, both as to the ſources and the diviſion of the national income.

Computation of the Income of Great Britain, as ſtated by Mr. PITT *in the Houſe of Commons; diſtinguiſhing the Part likely to be taxable under the Act.*

	Annual Income.	Deduction.	Taxable Income.
	£.	£.	£.
Landlords' rents, 40,000,000 of cultivated acres, eſtimated at 12s. 6d. per acre	25,000,000	$\frac{1}{5}$ 5,000,000	20,000,000
Tenants' profits at three fourths	19,000,000	$\frac{2}{3}$ 13,000,000	6,000,000
Tithes	5,000,000	$\frac{1}{5}$ 1,000,000	4,000,000
Mines, [inland] navigation, and timber	3,000,000		3,000,000
Houſes	6,000,000	$\frac{1}{6}$ 1,000,000	5,000,000
Profeſſions	2,000,000		2,000,000
Proportion for Scotland	5,000,000		5,000,000
Income from poſſeſſions beyond ſea	5,000,000		5,000,000
Intereſt on funds, after deducting foreign property, and ſums iſſued to commiſſioners as ſinking fund and intereſt to capital redeemed	15,000,000	$\frac{1}{5}$ 3,000,000	12,000,000
Profit on foreign trade, ſuppoſe 15l. per cent. on 80,000,000 of capital inſured	12,000,000		12,000,000
Ditto home trade, at 10l. per cent.	18,000,000		18,000,000
Other trade	10,000,000		10,000,000
	£. 125,000,000	23,000,000	102,000,000

The

The preceding table is copied from No. 7. of the Appendix to Mr. Roſe's intereſting pamphlet, intituled, " A Brief Examination," &c.

The data on which the firſt article depends, are the extent, value, and diviſion of landed property; and the ſtatements of them which have been uſed in this calculation are, I apprehend, very greatly erroneous. Not only the total annual income of lands is much leſs, but the deductions muſt be exceedingly greater than are here ſtated, and conſequently the taxable part is very much over-rated. Theſe errors however are by no means imputable to Mr. Pitt, who, according to the printed reports of his ſpeech, had examined the moſt popular writers on this ſubject, and evidently ſhowed a diſpoſition to make his calculation as moderate as he could do, conſiſtently with the authorities on which he relied.

But it unfortunately happens that the ſtatute acres in England and Wales, inſtead of being about 47,000,000, as calculated by Mr. Arthur Young in his Travels through France, and ſince

adopted

adopted in the Report of the Committee on Waſte Lands, and various other publications, are *demonſtrably* no more than about 38,500,000, of which the cultivated part is only about 33,000,000 *.

This queſtion depends upon a geometrical examination of the maps which are reputed moſt

* I apprehend that the expreſſion "cultivated land" is uſed with very unequal latitude by different perſons, and that it is not eaſy to fix its preciſe meaning. I mean by it, in a large ſenſe, all lands, whether encloſed or not, whoſe preſent produce is rendered more valuable by any ſpecies of improvement, however ſmall; and however ſcanty that produce may ſtill be; and alſo all commonable grazing grounds, which from their ſuperior fertility are uſually claſſed with cultivated lands, though not ſtrictly ſuch, becauſe no labour is ever beſtowed on them. Uſing the words in this large ſenſe, I take 33,000,000 for the number of cultivated acres, inſtead of about 31,000,000, which would be nearly the reduced proportion correſponding with that of the Report of the Select Committee of the Houſe of Commons on Waſte Lands. This computation ſtill leaves out as waſtes many large tracts of land which belong to individuals, and to whoſe cultivation there is no impediment but the diſinclination of their owners. The *commonable* waſtes are, no doubt, too many; but their extent has been greatly exaggerated, and their produce has been equally depreciated. At the preſent low value of lands, and high intereſt of money, and high wages of labour, the improvement of a great part of them would be far from a profitable ſpeculation if they could be obtained without any prime coſt.

correct;

correct; and, to the extent in which they are correct, is evidently capable of ſtrict demonſtration. I ſuppoſe that Mr. Arthur Young's error aroſe from miſtaking the cauſe of the antecedent error of Templeman, whoſe calculations he profeſſes to correct. But in order to explain this queſtion more clearly, it may not be improper to ſtate the progreſs of opinion reſpecting it.

The moſt ancient and traditional opinion was *ſuppoſed* to ſtate the area of South Britain at 29,000,000 ſtatute acres: Sir William Petty conſidered it as only 28,000,000, and his eſtimate of the annual value was proportionately low, being only 8,000,000*l.* Dr. Grew, by a calculation obviouſly and unaccountably erroneous, increaſes the number to 46,080,000; while Mr. Houghton, whoſe ſtatement I take from Sir R. Atkyns's Glouceſterſhire, gives 39,938,500, and with conſiderable accuracy, according to the maps which were moſt eſteemed in the beginning of the preſent century. Templeman, by adopting a method of computing which is progreſſively more erroneous when applied to countries more diſtant from the equator, calculates the number

at only 31,648,000—Mr. Arthur Young, by a ſuppoſed correction of Templeman, aſſumes 46,916,000 as the true number; while the reputed contents of the ſeveral counties, as ſtated in ſome recent publications, on being added together, give no more than 36 and 37,000,000.

But the *true* number is between 38 and 39,000,000. Our preſent maps differ indeed conſiderably from one another, according as they have been more or leſs corrected by adopting modern aſtronomical obſervations; but none of the *older* maps, which are of any credit, give more than 40,000,000, and ſome of the *modern* ones ſcarcely give 38,000,000 of acres. It is true, that the exact number cannot be aſcertained with mathematical preciſion, till the preſent very excellent trigonometrical ſurvey has been completed; but ſince it has already corrected more than one third of the outline, and verified the breadth of the ſouthern part of England; ſince in the latitude, and conſequently in the length from north to ſouth, there cannot be any error worth noticing; and ſince many other points, which are material to this inquiry, have been ſatisfactorily deter-

determined by good aſtronomical obſervations, the poſſibility of error is already reduced within very narrow limits, and there is no chance that the number of ſtatute acres in South Britain can greatly exceed 38,500,000.

With reſpect to ſome of the former calculations that I have mentioned, I hope that the following remarks will not be thought totally ſuperfluous.

The traditional number 29,000,000 agrees very nearly with the extent of the Anglo-Saxon kingdom, and, I believe, may be traced back to that time. Probably it was not the reſult of any geographical inquiry, though the times in which I ſuppoſe it to have originated were by no means ſo incompetent to ſuch an inquiry as may be imagined; but was a computation made from the returns to the royal treaſury. The mode of levying the revenue of the Anglo-Saxon kings, led to a more minute inveſtigation of the extent and cultivation of their territory than has recently been attempted. The celebrated Domeſday-book of the Norman conqueror was evidently formed

on a more ancient regiſter of the ſame kind, to which it continually refers.

Sir William Petty probably calculated by ſixty miles to a degree of latitude; for upon that ſuppoſition his number 28,000,000 agrees very nearly with Morden's map.

Dr. Grew's calculation is to be found in the Philoſophical Tranſactions for the year 1711. He ſeems not to have recollected that roads are ſometimes crooked, and their ſurfaces rugged, and relying on a wheel meaſure of them, which he adopts as a ſtraight line, he makes the length of South Britain from Newhaven in Suſſex, to Berwick, 395 miles, which is indiſputably not more than 355; and its breadth, from the South Foreland of Kent to the Land's End, he makes 367 miles, which is now moſt clearly proved to be no more than about 325 miles. He then forms a right-lined triangle by uniting the two laſt-mentioned points with Berwick, and conjecturing, with ſufficient inaccuracy, that this triangle is commenſurate with the ſpace contained by the irregular outline of the country, he proceeds to

calculate its area at 46,080,000 acres; whereas a ſimilar figure, whoſe known ſides are the real diſtances, and not thoſe aſſumed by Dr. Grew, will only contain about 36,500,000 acres, and ſo be conſiderably *leſs*, inſtead of *more* than the true number.

Upon this ſtrange computation he builds ſome other ſpeculations which can ſcarcely be paralleled but by the inconſiderate gueſſes in political arithmetic of the preſent day. I ſhould not have judged it requiſite to ſay ſo much of it, if Mr. Arthur Young had not quoted it as a corroboration of his own gueſs on the ſame ſubject.

Morden's map, when meaſured according to the true length of the ſucceſſive degrees of latitude and longitude in South Britain, gives about 39,500,000 acres, and Mr. Houghton's eſtimate by ſeparate counties gives almoſt 40,000,000. The difference is little greater than might reſult from his having uſed (as moſt of our geographers ſtill do) Norwood's meaſure of a degree of latitude, inſtead of the true meaſure; or ſixty-

nine miles and a half, inſtead of ſixty-nine one fifth; which will alter the calculation by giving about 370,000 acres more than the true number.

But ſince the time of Mr. Houghton the area of our maps has been conſiderably reduced. It has been diſcovered that the diſtance between the South Foreland and the Land's End had been laid down too great by about half a degree; and as the miſtake was chiefly in the counties near the metropolis, an enormous difference will be found between his eſtimate of their contents, and the more recent calculations founded on modern ſurveys *.

I have contracted this diſcuſſion as much as I could. It will perhaps be dull to many readers,

* In the Second Part of this pamphlet will be given a comparative table of the reputed contents of the counties in England and Wales. The new computation in it was very carefully calculated from good maps, and may, I hope, be uſeful, till it is ſuperſeded by one more correct than can now be made. The provincial geography of this kingdom is, in many parts, exceedingly erroneous; of ſeveral counties we have no maps on which any reliance can be placed; and till the trigonometrical ſurvey is completed, and applied in correcting their errors, conſiderable doubts muſt remain with reſpect to their extent,

but

but its importance muſt be my excuſe for introducing it. If I am right (and I appeal to a geometrical examination of the queſtion), then the *whole fabric* of our preſent multiplied ſpeculations on the agricultural economy of the country, which has been ſo ingeniouſly adapted to a nunſubſtantial foundation, muſt fall to the ground. Reſpecting ſeveral of theſe ſpeculations, and eſpecially thoſe of Mr. Middleton, in his "View of the Agriculture of Middleſex," I am unwilling to ſay more than that they furniſh very ſtriking inſtances how eaſily conjectures accommodate themſelves to hypotheſis.

In the relation which theſe remarks have to the tax upon income, it will follow, that as the cultivated land of South Britain can be no more than 33,000,000, inſtead of 40,000,000 of acres; for this reaſon a proportionate deduction muſt be made from any rental formed by an average per acre. If that average is taken at fifteen ſhillings per acre, which Mr. Pitt ſuppoſed to be the medium of opinions on this queſtion, then inſtead of a rental of 30,000,000*l.* we have only 24,750,000*l.*; or, if at Mr. Pitt's own very moderate eſtimate of twelve ſhillings and ſixpence

pence per acre, then inſtead of 25,000,000*l.* the groſs rental can be no more than 20,125,000*l.* a year.

I agree in thinking that a compariſon of conjectures will give very nearly fifteen ſhillings per acre; but when the general ſpirit of the more popular writers on this ſubject is conſidered, I muſt alſo think that theſe conjectures may be ſuſpected of ſome exaggeration, though probably not to ſo great an extent as to require a reduction to twelve ſhillings and ſixpence per acre.

There are two modes by which very abundant data might be obtained for a calculation, though not abſolutely correct, yet far more probable than one founded merely on a compariſon of conjectures. The one mode is by finding the average value per acre of eſtates which have been offered for ſale, or to let, by advertiſement in the public newſpapers, ſo far as theſe advertiſements ſpecify both the rent and number of acres, which is often done. The other mode is by the books of conſiderable land-ſurveyors, and agents for the ſale of eſtates, and by thoſe of clerks to commiſſioners

miſſioners for encloſure. By recurring to theſe means of forming an average, the queſtion might, without much difficulty, be decided with a conſiderable degree of accuracy.

I have paid ſome attention to this ſubject, and am inclined to think that fourteen ſhillings per acre is very nearly the preſent value, *to let*, of the whole cultivated part of South Britain. The *actual* rents, however, are not quite at ſo high a rate, becauſe many eſtates are held by leaſes long ſince granted; but I take fourteen ſhillings * as a general average of the true value, to let, according to the preſent times. This, for 33,000,000 of acres, gives 23,100,000*l.*; a ſum from which, in ſtating the landlords' clear rent, ſome deductions muſt be made;—for land-tax, about 1,700,000*l.*; for repairs, about 1,150,000*l.*; for eſtates under-let and ſome neceſſary charges, at leaſt 250,000*l.*; which reduce the clear revenue of the land-owners to 20,000,000*l.* a year.

* If my eſtimation of fourteen ſhillings per acre is thought too ſmall, it ſhould be remembered that I extend it to lands which others might conſider as mere waſtes. A higher average rent on a ſmall number, would probably give very nearly the ſame total amount.

The

This rental is divided among *at leaſt* 200,000 proprietors, whoſe reſpective ſhares, if averaged, would amount to no more than 100*l.* a year; and in proportion as a few have much more, many muſt have much leſs: and notwithſtanding the effect of cumulative* incomes from a union of the produce of other ſources with this of the clear rent of lands, it will, I believe, be found, that in this caſe a deduction of one fifth only for the abatements and exemptions is far too little.

Though in the courſe of this review of Mr. Pitt's ſtatement, I ſhall continue to remark on the proportion there taken between the total and taxable income, under each article, ſeparately; yet from that cumulative nature of moſt incomes, which I have juſt hinted at, I ſhall

* It is obvious that the greater part of thoſe incomes which are conſiderable enough to be within the reach of the preſent tax, are not derived from one ſource only. The country gentleman, in addition to his rents, has often a revenue from the public funds, from mines, tolls, houſes, &c. &c. The ſame is true with reſpect to the merchant, the retailer, the manufacturer, the farmer, &c. &c. and induces me to apply the word *cumulative* to all incomes which are thus compounded, and which, in compliance with this act, it is requiſite to diſtinguiſh under ſeparate heads in a ſchedule.

rather

rather rely on a view of deductions from the total revenue of all perſons collectively, than on any ſeparate caſes, which I conſider as very difficult to appreciate, and by no means neceſſary for the general reſult.

But to proceed to the ſecond article of Mr. Pitt's ſtatement, viz. the tenant's profits. He conſiders them as being about three quarters of the landlord's rent, which can hardly be objected to as an exaggerated calculation, and which, at his eſtimate of 25,000,000*l.* will give 18,750,000*l.* for theſe profits; or, at my eſtimate of 23,100,000*l.* for the improved rental, will give 17,225,000*l.*; which ſum, it ſhould be obſerved, includes not only the tenant's profit, as a farmer; but alſo any benefit he derives from renting his eſtate below its true value; becauſe an allowance for that benefit has been reſerved in reducing the clear revenue of land-owners from 23,100,000*l.* (the improvable rent) to 20,000,000*l.*

But though the real profits of farming certainly ought not to be averaged lower than at three fourths of the rent; yet in the preſent cal-

culation a great deduction muſt be made from that eſtimate; becauſe, by the preſent act, the modes of eſtimating the profit of farming are regulated in ſuch a manner, that the computed profit will fall greatly ſhort of the true; and will be not more on an average than about two thirds of the rent, or nearly 15,000,000*l.*

And as to the deduction which ought to be made from this ſum for exemptions and abatements below 200*l.* a year; large as the allowance of two thirds may appear to be, yet it is by no means enough; becauſe the diviſion of lands among their occupiers is even much greater than among their owners, and more equable: amongſt this claſs alſo the effect of cumulative incomes is inconſiderable, and probably of the whole number of renting farmers not ten thouſand will be found to have incomes of 200*l.* a year, when calculated according to the directions of the act.

The third article of Mr. Pitt's ſtatement is the annual income of tithes; which he takes at 5,000,000*l.* as having been many years ago eſtimated at that ſum by Mr. Arthur Young; and, deducting

deducting one fifth for incomes below 200*l.* per annum, he aſſumes the taxable part at 4,000,000*l.*

By what conjectures, or computations, Mr. Arthur Young was induced to aſſert that the annual produce of tithes amounted to 5,000,000*l.* I confeſs I am utterly at a loſs to imagine; and the more ſo, becauſe I ſhall bring proofs, little ſhort of demonſtration, that, even now, the *groſs* income derived from them by both clergy and lay impropriators is not at moſt more than 2,850,000*l.**; and that, after deducting taxes, and other diſburſements, the clear income ſcarcely exceeds *one half* of Mr. A. Young's very exaggerated eſtimate.

* This income is almoſt equally divided between the clergy and laity; for on an inveſtigation of various facts reſpecting the ſtate of this property, I find it very probable that the parochial clergy derive at preſent from tithes, ſtill payable, an income of about 1,350,000*l.*; that lay impropriators receive about 1,200,000*l.*; and the leſſees of tithes belonging to the ſuperior clergy and the univerſities, about 300,000*l.* a year, of which they pay for reſerved rents, and fines to the leſſors, about a third part, *i.e.* 100,000*l.* a year; ſubject in each caſe to deductions for taxes, &c.

As to Mr. Pitt's ſubſequent deduction of one fifth for incomes below 200*l.* a year, the circumſtance of cumulative incomes makes all conjecture hazardous; but from a general view of the perſons who poſſeſs this ſpecies of property, I am inclined to think it is not neceſſary to make quite ſo great an allowance.

In ſupport of my aſſertion, that the groſs income which at preſent is actually received from tithes does not exceed 2,850,000*l.* I beg the attention of the reader to the following obſervations:

Though Mr. Middleton, in the 491ſt page of his View of the Agriculture of Middleſex, eſtimates the landlords' income from lands at no leſs than 42,000,000*l.* * ſterling, yet I am not afraid but

* Mr. M. taking England and Wales at 46,916,000 acres, values the aggregate produce at 126,720,000*l.* a year, of which he gives the following diſtribution:

	£.
Coſt in labour, artificers, and horſe-keep	56,720,000
Landlords — — —	42,000,000
Tithes and taxes — —	13,000,000
Farmers — — —	15,000,000

If this calculation were true, a farmer who rents even 150*l.* a year

but that, for the reaſons which I have ſtated, the impartial and intelligent reader will acquieſce in my more moderate calculation of only 20,000,000*l.* ſterling; or an average of fourteen ſhillings per acre, reduced by an allowance for taxes, &c. and for eſtates long occupied without an advance of rent. Now it is very well known, that in the numerous encloſures which have taken place for many years paſt, under the authority of acts of Parliament, an allowance in lieu of *all tithes* of every ſpecies has generally been made, at the rate of a fifth part of the arable, and a ninth of the paſture and meadow. Mr. Middleton, in pages 485, 6, 7, of the above work (which I refer to the rather, becauſe it has more than once been quoted with approbation), has an eſtimate of the proportions which the arable, paſture, waſtes, &c. bear to one another. But ſince his calculation is made upon a preſumption that the whole country contains 46,916,000 acres, whereas it really contains only 38,500,000, all the parts of his eſtimate muſt be

a year would be in almoſt as bad a ſituation as his pooreſt labourers. He employs a conſiderable capital, and yet his whole income is no more than 37*l.* 10*s.* for all his ſkill, labour, and the intereſt of his money!

reduced according to the difference of theſe numbers:

Mr. Middleton's Number.		Reduced.	
Arable —	14,000,000	11,491,000	Nearly.
Hops, nurſeries, &c.	124,000	101,000	
Paſtures, &c. —	21,300,000	17,481,000	
Hedgerows, copſe, &c.	2,000,000	1,640,000	
Ways, waters, &c.	1,603,000	1,310,000	
Commons and waſtes	7,889,000	6,477,000	
	46,916,000	38,500,000	

Now, according to theſe proportions, if the whole kingdom were ſtill ſubject to tithes, and they were to be commuted at the ſame rates, which, in the caſes before mentioned, have been very generally accepted by their proprietors, it would follow that the lands given in lieu of them would amount to

One fifth of arable, hops, &c.	2,318,500	Acres.
One ninth of paſture, &c. —	1,942,333	
One tenth of coppice, &c. —	164,000	
	4,424,833	

But if the average of all cultivated lands is to be taken at fourteen ſhillings per acre, then, upon a ſuppoſition that arable lands are equal in quality to paſture and meadow, &c. collectively (which is a ſtatement the moſt unfavourable for my calculation, that can with any ſemblance

blance of truth be adopted); even then, if the *whole* country were ſtill liable to tithes in kind, the lands to be given would, at their preſent value * to let, be worth no more than 3,097,383*l.* a year, inſtead of 5,000,000*l.* which Mr. Arthur Young thought fit to conſider many years ago as the income produced by them in their actual ſtate.

But from the above ſum of 3,097,000*l.* two very conſiderable deductions are to be made, in order to obtain by it an approximation to the true income derived from all tithes at preſent demandable. Firſt, it is to be obſerved, that if the lands taken in lieu of tithes did not afford a proſpect of a better income, it is not reaſonable to ſuppoſe that the tithe-owner would agree to the commutation; therefore it may fairly be concluded that the income at preſent obtained, is not *more* than the ſum juſt now mentioned. A ſecond cauſe of deduction is, that no ſmall part of the kingdom

* Perhaps it is ſcarcely neceſſary to obſerve, that any increaſed value which lands given in lieu of tithes derive from improvements connected with encloſure, is only to be taken as a ſet-off againſt the benefit which their owner would otherwiſe receive, in ſuch caſes, by retaining his right to tithes.

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has, long ſince, been either totally exempted from tithes, as abbey lands; or has become ſubject to very inadequate money payments * only, in lieu of them, by way of modus, &c.; and alſo, that a ſtill greater portion has been exonerated by commutations under acts of encloſure; and theſe caſes, taken together, are very moderately eſtimated as extending to between an eighth and ninth of the whole country. But if only a ninth is deducted for them; and no more than five per cent. from the remainder, for the improvement to the tithe-owner by a commutation; then (according to Mr. Middleton's proportions of the different employments of cultivated land) the preſent income, from thoſe agricultural tithes, which are ſtill legally demandable in kind, can

* Payments by modus ſcarcely amount, on an average, to a fifteenth part of the tithes for which they are ſubſtituted; in ſome parts of the kingdom they extend to a conſiderable portion of the graſs lands. The deductions to be made on this account, and for an immenſe number of eſtates which are totally exempted, as having been abbey lands, are far greater than is generally apprehended. There are alſo in the kingdom about 10,000 agricultural pariſhes; and, for a long time paſt, about ſixty acts for encloſure have been paſſed annually, on an average, in moſt of which, I believe, the tithes have been commuted. The reader will judge whether one ninth is too great an allowance for all theſe caſes.

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be no more than 2,615,569*l.* a year, from which many very large deductions muſt be made for taxes, &c. &c. in reducing it to a clear income.

It will be obſerved that I have already eſtimated the preſent groſs income from tithes at a conſiderably greater ſum than this; that is, at 2,850,000*l.* inſtead of 2,615,569*l.* a year. I have done ſo, becauſe I have many ſtrong reaſons for believing that the arable part of the country bears a much greater proportion to the whole, than has been ſuppoſed in the above-mentioned and other ſimilar publications. But ſince, in that caſe, more tithes would be commuted at the rate of a fifth, inſtead of a ninth acre, therefore the total number given in exchange would be greater; and the annual income muſt be taken higher in a due proportion, which on that account I have done.

If I were to enter into a longer diſcuſſion of this queſtion, it would lead me beyond the limits which I can at preſent allow myſelf. I hope to have another opportunity of bringing additional reaſons for the correctneſs of my eſtimate of the income at preſent received from tithes, and of

explaining, by unexceptionable evidence, many facts reſpecting this ſpecies of property, which have been greatly miſrepreſented, and are, I believe, very generally miſunderſtood.

The next article in Mr. Pitt's ſtatement includes mines, inland navigation, and timber, taken (without deduction) at 3,000,000*l.* a year. It is obvious, that in whatever proportion a deduction ought to be made from the *firſt* article, for incomes below 200*l.* per annum, in the ſame proportion a deduction ought to be made for ſo much of the preſent article as ariſes from timber *; but which, however, may, I apprehend,

* The queſtion of the annual value of timber, might be anſwered with conſiderable probability, by perſons who have been much engaged in the ſale of eſtates. It is uſual on ſuch occaſions to value the timber ſeparately; the proportion of that value to the rental might eaſily be aſcertained; and by collecting a ſufficient number of caſes in different parts of the kingdom, which the books of auctioneers and land agents in London could furniſh, a baſis would be obtained for computing the total value; of which five per cent. would be nearly the annual income. I only mention it as a conjecture founded on no very extenſive means of obſerving; but, I think, an eſtate is in general conſidered as having rather leſs than its proportion of growing trees, of all ages, if their value does not amount to nearly two years rent; and I believe that the annual revenue from timber only, including oak bark, muſt be about 1,600,000*l.* after allowing for all repairs.

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be conſidered as almoſt entirely exempted by modifications adopted ſince the meaſure was firſt propoſed. As to mines, when I conſider their immenſe number, their valuable productions, and eſpecially the incalculable conſumption of coals, I ſhould be inclined to take their total produce at a greater ſum than I can ſuppoſe to have been done in this ſtatement. But then it muſt be conſidered, that very many perſons are ſharers in mines, whoſe cumulative incomes do not amount to 200*l.* a year. The larger mines are generally held in numerous ſhares, and the ſmaller of almoſt all kinds are uſually worked by perſons in moderate circumſtances. But this article of the ſtatement is not of ſufficient magnitude to detain the reader with long obſervations reſpecting it. I ſhall therefore only add, that I believe a more minute inveſtigation will clearly prove that theſe parts of the annual income amount to not leſs than 4,500,000*l.*; but are ſubject to ſuch deductions, in reſpect to the preſent meaſure, as will reduce their taxable income to the ſum ſtated by Mr. Pitt *.

* To this article might be conveniently added, the produce of all poll deeds on turnpikes; and clear revenue from tolls of every kind, and fiſheries, and various other ſimilar ſources of income.

I cannot think that the nominal rent of dwelling-houſes, and all buildings employed as warehouſes, manufactories, &c. can be leſs than 12,000,000*l.* * excluſive of all houſes and buildings whoſe rent is a part of that of the lands to which they belong. If from this, a fifth part is deducted for land-tax, repairs, and all other contingencies, then 10,000,000*l.* a year will remain for the net income. But from this income very much more than one ſixth ought to be deducted, in order to ſeparate the taxable part of the income, which probably is not very remote from 5,000,000*l.* †, as ſtated by Mr. Pitt.

* A fifteenth of the clear income will, I believe, be a juſt allowance for houſe-rent, &c. on a medium of all fortunes and ſituations. Between a retail trader in Bond-ſtreet, and a tenant of an ill-ſituated or decaying houſe in the country, the extremes in this caſe will be very far removed; but yet a tolerably accurate conjecture may be formed by taking a ſufficiently comprehenſive view of the queſtion.

† I apprehend it was not Mr. Pitt's meaning that the *whole* rent of buildings (not being agricultural) amounts to no more than 6,000,000*l.*; but only that part of it which is connected with incomes conſiderable enough to be objects of this tax. With this limitation there will be no very material difference in the taxable part of our otherwiſe widely differing eſtimates; for the houſe-rents belonging to perſons who have ſmall incomes are very conſiderable; and beſides this, the baſis upon which Mr. Pitt's calculation is founded, certainly bears a low proportion to the full value, *to let*, of houſes, in many ſituations and diſtricts.

Two millions a year are, I have no doubt, a very moderate valuation of the income intended to be included under the title of profeſſions; but the *diviſion* of this income is greater than may have been conjectured. Many of the leſs ſucceſsful practitioners in law do not poſſeſs 200*l.* a year, and very few of the whole number of country practitioners in medicine have clear incomes to that amount. Perhaps, indeed, the taxable part alone of this ſpecies of income, is not much leſs than 2,000,000*l.*; but it is a queſtion involved in much obſcurity, and not of moment enough to require any conſiderable attention in the preſent inſtance.

I am inclined to think that the proportion of Scotland to South Britain is taken much too low at only one eighth. Scotland, though a good deal more than half as extenſive as England, yet probably does not contain one third as much cultivated land, and that leſs fertile; but ſince Scotland pays at leaſt one ſhilling an acre leſs to the land-tax, and is in other reſpects much leſs burdened; and ſince *ſome* rent, though perhaps not very great, is always virtu-

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ally paid for waſtes adjacent to cultivated lands, whoſe value they contribute to enhance: for theſe reaſons I can hardly ſuppoſe that the clear rental of Scotland is much leſs than one fourth, at the loweſt, of the clear rental of South Britain. Probably when it is conſidered that real property is in no proportion ſo divided in the former country as in the latter, it will be inferred, that leſs of it muſt fall within the ſcale of abatement, and that the taxable part of the rental of Scotland will amount to a good deal more than one fourth of the ſame part in England. The remaining five articles of the eſtimate for England, of which an eighth is taken as the proportionate eſtimate for Scotland, will, I believe, hardly produce ſo much in that country; but ſince the firſt article, or the landlord's rental, is by much the moſt important, the whole, taken together, can ſcarcely amount to leſs than one ſixth, inſtead of one eighth part, of the correſponding *taxable* income in England.

Of the income of poſſeſſions and property beyond ſea, the taxable part can ſcarcely exceed 4,000,000*l.* I can readily believe that the in-

come from this ſource, which ſhould in ſtrictneſs be ſubject to this aſſeſſment, is conſiderably more; but with reſpect to remittances from the Eaſt Indies, it is impoſſible to know what parts of them are of capital, and what of annual income; and many perſons who receive large revenues from intereſt of debts in that country, might conſider themſelves as really imprudent, if in the view of their own affairs, independently of the preſent tax, they eſtimated the whole of any ſuch remittances as annual income. In ſtrictneſs of language it is ſo, but it muſt not be expected that it will be deemed ſo in voluntary aſſeſſments; for purely voluntary they muſt be in this inſtance. As to the balance of remittances from the Weſt Indies, I believe it will not be found in any degree ſo great as has been imagined; not perhaps becauſe the true clear revenue is leſs than has been conjectured; but becauſe a large ſhare of it is annually inveſted in colonial improvements; and it is obvious that the ſurplus only, that part only which remains in this country, can be reached by the powers of this act of Parliament.

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I am not aware of any inaccuracy in the article which ſtates the taxable income from the funds at 12,000,000*l.*

With reſpect to the profit on foreign trade, it ſhould be conſidered that the *whole* of that trade is not carried on with Britiſh capital, or at the riſk of Britiſh merchants. No doubt that ſhare of the profit on our foreign commerce which belongs to perſons not reſident in Great Britain is comparatively ſmall, yet ſtill it is *ſome* deduction. But ſince the exports and imports are now found to be conſiderably more than 80,000,000*l.* at which ſum they were taken by an inference from the amount of inſurance, perhaps it may be thought that the addition on this account will be a ſufficient ſet-off for the deduction before mentioned.

On this queſtion however I have ſome doubts, ariſing from the enormous profit which it ſuppoſes; and which in this caſe would hardly be leſs than twenty-five per cent. on the *whole* capital of the merchants; including their balance of debt and credit; and their whole ſtock on hand, of which the quantity is immenſe.

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In page 38 of Mr. Roſe's very able "Examination," &c. the real value of all imports in 1798 is eſtimated at - - £.46,963,000
and of all exports at - 48,000,000

Now if we aſſume for a moment that all this immenſe trade is carried on excluſively by Britiſh funds; and that on an average exactly one return is made in a year on the whole capital employed; then the ſucceſſive imports of 1798 will be the payment of the exports in 1797, together with the commercial profit for one year; and the exports of 1798 will be repaid, together with a like commercial profit, in 1799. In point of fact the queſtion is much more complicated; but I ſtate it in this hypothetical and diſentangled form, becauſe in this way it will perhaps be more generally underſtood.

The profit on our foreign trade, and the capital employed by it, is to be divided into four parts, of which one belongs principally to other nations, one in a leſs conſiderable degree to them, one chiefly and almoſt excluſively to ourſelves.

The firſt and the laſt of theſe are not perhaps generally included in the contemplation of this ſubject; becauſe not relating to the capital or to the income of the actual importers or exporters; but to thoſe of manufacturers and others in the antecedent ſtages of preparation or exchange.

It is obvious that this firſt part of the commercial profit on our imports muſt chiefly belong to foreign nations; but it does not excluſively belong to them. From the ſteel-mines of Carinthia to the looms of Bengal, Britiſh capital is, in various inſtances, engaged in animating foreign induſtry; and the profit on the capital ſo employed, however inconſiderable in compariſon with the total amount of the preſent article, yet muſt not be wholly omitted, becauſe it forms a part of our income; and becauſe I apprehend, that, in calculating the profit on foreign trade, Mr. Pitt very properly included the correſponding profit at home in the ſeveral ſtages antecedent to the actual exportation.

The ſecond part of the profit of foreign trade is the difference between the coſt of Imports in the

the countries whence they come, and the price for which they are ſold after importation, deducting from this difference the incidental charges of freight, &c. Of this, though the greater part is carried on with Britiſh capital, yet the whole is not ſo ; many cargoes being ſent by foreigners at their own riſk to this country for a market.

When thoſe foreigners who ſend cargoes in the manner deſcribed, purchaſe freights with the produce, or with other capital in this country, they ſo far participate in our Export trade, and a proportionate deduction muſt be made in computing our ſhare of its profit.

As to the laſt diviſion of this article, it is ſo excluſively Britiſh, that no deduction need be made for any profit of foreign partners in our manufactories, &c. becauſe there are hardly any inſtances where foreign capital or credit is engaged in them.

In addition to theſe remarks, it is to be remembered that by whatever amount the price obtained in theſe tranſactions, when credit is given, exceeds the price in caſe of prompt payment, ſo

much of the profit of trade is, in a ſtricter analyſis of the queſtion, intereſt on capital lent; and in whatever proportion the credit we give to foreign nations exceeds the credit which they give to us, in that proportion the profit on foreign trade is blended with the intereſt for the money which they owe to our merchants.

Wherefore, if (as I have aſſumed hypothetically) *one* return, and *no more*, is yearly made on the whole capital thus employed, then that capital will at preſent be about 48,000,000*l.* from which the part that belongs to foreigners muſt be deducted. Perhaps, in this extended view of the queſtion, conſidering the remoteneſs of ſome of our moſt valuable trade, the credit given, and the quantity ſtored, a year may be deemed too ſmall an allowance for the average returns of the capital connected with foreign trade. But I am inclined to think, that on balancing the quick returns from ſome markets with the ſlower returns from others, it is not materially erroneous.

Now let us even ſuppoſe that one year is too ſmall an allowance; and that the true Capital ployed being proportionably greater than the annual

annual value of exports, is at preſent much more than 48,000,000*l.* ;—than the greateſt and *quickeſt* foreign trade which we ever poſſeſſed; and that the Britiſh ſhare of it ſingly, amounts to full 48,000,000*l.* excluſive of the Carrying trade, which being partly foreign, and partly coaſting, ought to be made a ſeparate article. Then 12,000,000*l.* the ſum taken by Mr. Pitt, amounts to no leſs than a clear twenty-five per cent. on the whole, including credits and ſtock on hand; and alſo including many objects of commerce which are known to be but moderately profitable, and after having allowed for all loſſes of every kind, and all expences.

I do not pretend to define the limits of commercial profit, but if it amounts to any thing like this, it ſurely exceeds all former conjectures. I do not ſpeak with confidence, but I ſhould think that twenty per cent. per annum muſt be nearer the truth, including profits of inſurance and agency, and that 9,500,000*l.* is a very ample allowance for this article of the ſtatement.

The next article is very important from its magnitude, and has, I fear, been much miſunder-

ſtood. The capital employed in domeſtic trade is eſtimated at 120,000,000*l.* ſterling, its produce at 18,000,000*l.*; and no deductions were conſidered as neceſſary for incomes below 200*l.* a a year. To the above is added 10,000,000*l.* a year, without deduction, for profit in other trades, which were ſeparately valued;—in all, for the taxable income of theſe articles, 28,000,000*l.* ſterling.

It appears to me that the following conſiderations will lead to ſomething like an approximation to a regular calculation, in point of form at leaſt, of the amount of this branch of the national income.

The caſe of a whole people is, in this reſpect, like that of individuals: either the expenditure is commenſurate with the income, or it exceeds it, or it falls ſhort of it. In the firſt caſe, if we know the income, only one circumſtance more is neceſſary in order to know the profit of the perſons among whom it is expended; for the only remaining queſtion is the *rate* of that profit, whether fifteen per cent. or more or leſs. In the ſecond inſtance the groſs profit will be the ſame as in the

the firſt; but is ſubject to a deduction for poſtponed payments, or ultimate loſs, in conſequence of the cuſtomers expending more than their incomes. In the third inſtance, a portion of the income progreſſively becomes capital; and the profits of thoſe among whom the remainder is expended, muſt be according to the amount of that remainder only.

Now it follows, that in order to form ſome idea of the profit of the internal trade of Great Britain, we muſt firſt endeavour to eſtimate the *total* clear income of the nation; not only that which is obtained by an employment of capital, but alſo the whole annual gains by perſonal induſtry of all individuals, of every rank in the community.

But in order to appreciate the amount of this income, it is requiſite to calculate not only the average value of wages, but the number of thoſe who receive them; which introduces into the preſent diſcuſſion the queſtion of the Population of this kingdom.

In

In an Appendix to a "Letter to a County Member, on the Means of ſecuring a ſafe and honourable Peace," I firſt publiſhed an opinion, that the population of England and Wales has been generally under-rated, and that, inſtead of eight millions, which has been for ſome years ſuppoſed to be near the true number, it is really not leſs than *eleven millions*.

Though I was fully perſuaded of the truth of the general reſult of my inveſtigation of this ſubject, yet I felt that in ſome reſpects the data on which I found it neceſſary to rely, were not ſo numerous as I wiſhed. I knew, beyond all doubt, that the dimenſions were coloſſal; but as to the relative proportions, I felt myſelf ſomewhat in the ſituation of one attempting to demonſtrate the bulk and form of all the limbs of a Hercules by the meaſure of his foot.

In attempting to calculate from data which had never before been made uſe of, I could not hope to eſcape ſome errors, which fuller information and repeated conſideration of the ſubject have

have enabled me to detect. But it is no ſmall gratification to me to be able to ſay that I was not betrayed into any exaggeration. I have ſince collected a conſiderable body of evidence, which, when properly examined, uniformly confirms my aſſertion, that the population of England and Wales is really not leſs than 11,000,000; and ſhows that a greater portion of it is *agricultural* than I even ventured to ſuppoſe; and that it has been, and *ſtill* is, increaſing with a rapidity which far exceeds the opinions that are generally entertained reſpecting it.

I am ſtill endeavouring to obtain an ample ſtore of materials for a more complete inquiry into *the progreſs and preſent ſtate of the population* of this country; for which reaſon I ſhall not now attempt any ſyſtematic view of the queſtion; but, from the documents which I have already obtained, I ſhall ſubjoin ſome very intereſting facts in a Second Part of this pamphlet, together with ſome obſervations reſulting from them. I do not believe that many perſons, after examining thoſe facts with due attention, will heſitate to accede to my opinion: but at any rate

they demonſtrate, beyond all controverſy, ſeveral important circumſtances which have been hitherto but little noticed, and which I am ſure that no man who really loves his country will read without the greateſt ſatisfaction.

Of 2,200,000 families, which is, I believe, very nearly the true number in South Britain, I apprehend that about 700,000 are of a deſcription to which the preceding ſtatement of income is more or leſs applicable *. Of the remaining 1,500,000 families, many have indeed ſmall portions of productive capital, ſuch as cottagers, petty ſhopkeepers, &c. &c.; but they live almoſt entirely by wages for their labour; and which, together with the aſſiſtance they derive from the poor rates, are, I believe, very moderately eſtimated at forty-five pounds a year per family, or 67,500,000*l.* ſterling. This average

* This conjecture is founded on a general obſervation, that of the families which ſubſiſt either ſolely or chiefly by wages of manual labour, very few inhabit aſſeſſed houſes. I therefore ſuppoſe that at leaſt 700,000 are inhabited by perſons who either derive an important part of their incomes from their capitals, or elſe from thoſe more lucrative kinds of induſtry which are included by Mr. Pitt under profeſſional profits, or are analogous to them.

may

may be thought high, if compared only with the wages of common labourers of the lower claſſes, but it alſo includes aſſiſtance from poor rates at the rate of not leſs than two pounds per family for the whole number, and all the wages of their wives and children. It is alſo to be obſerved, that, ſince the general proportion of men of a fencible age, in any country not peculiarly circumſtanced, is to the whole population as one to four; and a great part alſo of the men who are advanced beyond this age are able to earn full wages; therefore the whole number of ſuch labourers correſponding with 1,500,000 families is not one per family, or 1,500,000 only, but at leaſt 2,000,000; whoſe annual wages, including all advantages, cannot be taken lower than from twenty-five to ſixty pounds each, ſince the late advance on them. The higheſt claſs of workmen who labour for daily or other wages, is certainly much leſs numerous than thoſe in the lower part of the ſcale; but the average of their earnings cannot be taken at leſs than thirty pounds a year, which alone will give ſixty millions out of the 67,500,000*l.* a year before ſtated. It muſt alſo be obſerved, that I reckon as a part of this

number all perſons in the army and navy, &c. who are of the ſame ranks in ſociety; many of whom are not included in an actual enumeration of inhabitants per cottage, but whoſe incomes cannot be more conveniently placed in the preſent inquiry, than by connecting them with thoſe families to which they have originally belonged.

Beſides the above ſum of 67,500,000 per annum, which I have taken as the wages of induſtry of 1,500,000 families of labourers, &c.; it muſt be recollected, that, excluſive of Mr. Pitt's allowance of 2,000,000*l.* for the profits of profeſſions, a part, and by no means an inconſiderable part, of the incomes of the remaining 700,000 families is gained by wages of different kinds. In theſe families there are an immenſe number of domeſtics retained ſolely or principally on account of the maſter's occupation, as ſervants in huſbandry, ſhopmen, clerks, &c. &c. whoſe maintenance and wages are to be deducted in eſtimating his own income, for that reaſon ought to be ſeparately accounted for. To this it muſt be added, that a very great portion of the occupiers of lands are working, and not merely ſuperintending farmers; and I do not imagine that their profit derived

from manual labour ought to be confounded with their farming profit, or was intended to be included in it by Mr. Pitt's eſtimate of that profit at 19,000,000*l.* Beſides this, the ſalaries of all perſons above the loweſt claſs, whether employed by government or by individuals, are incomes from induſtry, of which few perſons in active life are without ſome portions; but of which a conſiderable part muſt not be ſeparately reckoned, becauſe the diſburſements on this account are not ſeparated and deducted in calculating the incomes out of which theſe profits of induſtry are paid.

It is, no doubt, very difficult to appreciate the addition which ought, for the reaſons juſt ſtated, to be made to that portion of the national income, which is made up of the profits of labour; but including all the caſes above enumerated, I think it can hardly be eſtimated at leſs than forty-five pounds per family for 500,000 out of the 700,000 of all claſſes above the loweſt, or 22,500,000*l.* per annum.

I therefore eſtimate the whole profit of labour at 90,000,000*l.* a year for South Britain.

From

From the beſt accounts of the population of Scotland, I am induced to think that it does not greatly exceed a ſeventh part of that of England and Wales. Wages in Scotland are much lower than in England, though not in ſo great a diſproportion as they appear to be; becauſe there are more advantages of cottages, ſmall parcels of lands, &c. &c. which are in fact ſubſtituted for a part of the wages that muſt otherwiſe be paid in money. But on a review of all circumſtances, if we calculate this article at one ninth of its amount in England and Wales, I think no great objection can be made.

In that caſe the whole gains by labour in Great Britain are to be eſtimated at 100,000,000*l.* a year; and to this ſum muſt be added the whole clear produce of Capital, in order to obtain the annual income of the nation; which muſt firſt be ſtated before it can be conjectured what portion of it is ſo expended as to create that profit on internal trade which has led to the preſent inquiry.

To the articles contained in Mr. Pitt's ſtatement it appears to me that two others ſhould be *added*, which I do not diſcover to be included in any of thoſe that are mentioned.

The

The one is the profit of ſhipping; the other, tolls of turnpikes, fairs, markets, harbours, rent of fiſheries, &c. &c.

The firſt of theſe I reckon at about 2,250,000*l.* a year; for it can hardly be leſs than one pound per ton on an average of all the regiſtered ſhipping. Perhaps Mr. Pitt included this article in that of profit on foreign trade; for he calculated that part of his eſtimate by the capital inſured, and might mean to extend it not only to the goods carried, but alſo to the veſſels carrying them. From this ſum, if the taxable part is to be ſeparately ſtated, a conſiderable deduction muſt be made for ſhares of ſhipping held by perſons not having cumulative incomes of 200*l.* a year, and for other cauſes too obvious to need explanation; and I believe the clear produce which comes within the reach of the preſent act will be about 2,000,000*l.*

The ſecond of theſe additional ſources of income might be properly united with mines, canals, and timber. I do not attempt to give any other than a rude gueſs at its amount, but ſuppoſe it will not be thought that I exaggerate in calling it 500,000*l.* a year. *Com-*

Comparative Recapitulation of the ten firſt Items in Mr. Pitt's Statement as given by him, and with the Variations which I have ſuggeſted; and alſo with an Addition to my own Statement of the two Articles juſt mentioned.

[N. B. The compariſon here made is only of the *total clear* incomes, without any conſideration of thoſe parts which may be ſubject to the operation of this tax.]

	£.	£.
Landlords' rents	25,000,000	20,000,000
Tenants' profit	19,000,000	15,000,000
Tithes	5,000,000	2,500,000
Mines, &c.	3,000,000	4,000,000
Houſes	6,000,000	10,000,000
Profeſſions	2,000,000	*0,000,000
Proportion for Scotland	†7,500,000	8,500,000
Income from poſſeſſions beyond ſea	5,000,000	4,000,000
Intereſt on funds	15,000,000	15,000,000
Profit on foreign trade	12,000,000	9,500,000
Shipping	0,000,000	2,250,000
Tolls, &c. &c.	0,000,000	500,000
	£.99,500,000	£.91,250,000

To 91,250,000*l.* for income of theſe parts of our capital, add 100,000,000*l.* for the income of labour, and we have 191,250,000*l.* for the whole revenue of the people of Great Britain, excepting the two laſt items of Mr. Pitt's ſtatement, which he computes at 28,000,000*l.*

* I omit from this part of my ſtatement any ſum for profeſſional incomes, becauſe I include them in the general income from labour.

† By ſome inadvertence, this article is only ſtated at 5,000,000*l.* for the *total* income of thoſe preceding it, whereas in the column

The next queſtion is, what portion of this revenue is ſo expended as to create the profit which is included under theſe items, of home trade and other trade.

Now from the analogy between the expenditure of individuals and that of a whole community, it would be obviouſly erroneous to eſtimate the amount of the dealings by which this profit is made, at more than the income which is to pay for them; or indeed at any thing near ſo much, becauſe a deduction muſt be made for all ſavings, all direct taxes, and for the value of every thing conſumed by the grower or manufacturer himſelf, and on which no commercial profit is made.

Without attempting to appreciate minutely the amount of theſe ſeveral deductions, which muſt evidently be very large, I ſhall conjecture that about one ſixth, or 31,250,000*l.* is a proper

column of taxable income the ſame ſum of 5,000,000*l.* is taken, being in the proportion to thoſe preceding of one to eight. But by the ſame rule, 7,500,000*l.* ought to have been the ſum ſtated in this column, being the ſame proportion to 60,000,000*l.* which is the amount in this caſe of the ſix preceding articles; and I have accordingly corrected it.

allowance for them. Leſs than this they can hardly be.

There remains 160,000,000*l.* on which a profit of fifteen per cent. would amount to 24,000,000*l.*; to which, if the profit of traders on each other's expenditure is added, that is, on five ſixths of 24,000,000*l.* at fifteen per cent. or 3,000,000*l.* then the whole profit on all internal trade, including the loweſt retail, will be 27,000,000*l.* and no more.

But fifteen per cent. though leſs * than the annual income of the capital employed in this trade,

* The difference between the annual profit on capital of internal trade, and rate of profit on things ſold, muſt depend on the time when that capital is returned. I ſuppoſe that an average return of the whole is made at leaſt once in eight months, in which caſe the fifteen per cent. by the one mode of calculating will be commenſurate with ten per cent. by the other. The trade in proviſions amounts to at leaſt two thirds of the whole; and as in the inferior parts of that trade the capital is returned many times in the year, and upon the loweſt computation, the whole capital employed in it is returned at leaſt twice in the year, therefore if that of all other dealers is only returned once in the year, the total produce will be at the rate of ſixteen and a half, inſtead of only fifteen per cent. It follows, that the capital employed in domeſtic trade cannot by any mode of computation, and with any ſort of probability, be made to amount to

trade, is probably much more than the rate of profit on the ſeparate dealings; which, after an abatement for loſſes and expences, muſt not be taken higher than ten per cent. This ratio of profit will give, by a calculation ſimilar to the preceding one, 18,000,000*l.* for the clear income from internal trade.

Inſtead therefore of 28,000,000*l.* without deduction, I cannot think that the amount of theſe two articles will be more than 18,000,000*l.*; and this ſubject to an immenſe deduction in eſtimating the taxable part of it under the regulations of the preſent act; and which cannot be eſtimated at leſs than four ninths, or 8,000,000*l.*

	£.
To all income derived from other ſources —	191,250,000
Add for internal trade — — —	18,000,000
And the total income of Great Britain will be £.	209,250,000

Vaſt as this income is, yet, in my view of the queſtion, it will not be difficult to explain the reaſons why the preſent tax cannot produce much

to ſo much as has been conjectured. Its real amount is immenſely great, when compared with former times, and other countries; but it can hardly exceed 110,000,000*l.* for the whole of this trade, including the loweſt retailers.

more than 7,000,000*l.*; even without ſuppoſing any material deficiency reſulting from evaſions. That a few may be guilty of evaſions, is to be expected; but that they will be practiſed to ſuch extent as to affect the receipt in any great degree, I do not believe: till that is proved to be the caſe, I muſt conſider any ſuch imputation as an ungrateful libel on the character which has marked this truly *Great Nation* during the whole of the preſent arduous and long-protracted conteſt. I am much more inclined to think, that any ſmall deficiency from this cauſe will be balanced by oppoſite inſtances, of not a few perſons who will make declarations of greater incomes than they poſſeſs; and may perhaps think it a convenient way of purchaſing the reputation of wealth.

The following table, formed upon the ſame plan as that of Mr. Pitt, contains, according to my own ideas on this ſubject, in the firſt column, the whole income of Great Britain; in the ſecond, the deductions; and in the third, the taxable income:

Land

	£.	£.	£.
Land rents —	20,000,000	5,000,000	15,000,000
Farming profits	15,000,000	12,000,000	3,000,000
Tithes —	2,500,000	250,000	2,250,000
Timber, mines, &c.	4,000,000	500,000	3,500,000
Tolls, &c. —	500,000	50,000	450,000
Houſes —	10,000,000	5,000,000	5,000,000
Scotland —	8,500,000	3,500,000	5,000,000
Foreign poſſeſſions	4,000,000		4,000,000
Funds —	15,000,000	3,000,000	12,000,000
Foreign trade —	9,500,000		9,500,000
Shipping —	2,250,000	250,000	2,000,000
Gain by labour	100,000,000	95,000,000	5,000,000
Home trade —	18,000,000	8,000,000	10,000,000
	£.209,250,000	133,050,000	76,700,000

The third column gives for the groſs produce of this tax 7,670,000*l.*; but which will be reduced below 7,000,000*l.* by allowances for relations, children, and for the expences of collecting.

But my opinion on this queſtion does not rely ſo much on this way of ſtating it, as upon an hypotheſis, which I think not only probable in theory, but confirmed by obſervation of the uſual diviſion of income among well-regulated nations.

I appre-

I apprehend that the *natural* cauſes of progreſſive accumulation of wealth, and conſequent increaſe of income, have, when undiſturbed by any particular laws or cuſtoms, a tendency to make the portions greater as they become leſs numerous, in arithmetical progreſſion. To thoſe who are converſant in ſuch ſubjects, this propoſition will hardly appear improbable, or need much illuſtration; for as in all other inſtances, ſo with reſpect to poſſeſſion by inheritance, or acquiſition by labour and talents, a multitude of caſes muſt always approach near to regularity.

I acknowledge, however, that this *naturally* regular progreſſion of wealth and income may be very much diſturbed by political and ſocial rules, and accidents; of which the effects are ſometimes very ſlowly effaced, and remain viſible long after their cauſes have ceaſed to operate.

If a ſtate of vaſſalage deprives the lower orders of a due proportion of the profit of their labour;

labour; or if the higher ones are exempted by privilege from bearing their ſhare of the public burdens; if anarchy and inteſtine commotions have reduced the value of real property; or if the rich pay a greater proportion of the taxes than the poor; in all theſe caſes the natural diviſion of income is diſturbed; for the former tend to increaſe, and the latter to diminiſh its progreſſive inequality.

If, again, the wealth of any particular claſs of the community ſhould happen to be excluſively increaſed from foreign ſources, this alſo will evidently interfere very much with the natural progreſſion that I have ſtated.

Many more cauſes might be ſtated why the real diviſion of income can hardly ever exactly agree with this hypothetical progreſſion; but which may notwithſtanding be very advantageouſly employed as a baſis of calculation. Though our ſcale may not be exactly commenſurate with the line whoſe length we wiſh to aſcertain, yet it can enable us to find the fractions by which they differ; and though the outline of

any ſpace may not be coincident with the triangles employed to meaſure it, yet, by uſing them, a very near approximation to the true dimenſions may be obtained.

In applyIng this principle to our own country, it is impoſſible not at once to remark ſome circumſtances which have contributed to that ſteady energy of character, and love of ſocial order, which in the preſent days of general confuſion have made us the wonder and the envy of the world. Every pernicious influence of the feudal ſyſtem has long ſince been at an end; equal protection is afforded to all, from the higheſt to the loweſt, from the powerful to the helpleſs; the inſtitutions and the habits of the nation encourage a general diſpoſition to active life; and inſtead of licenſed idleneſs, make indolence in any perſons, however elevated, a reaſon for contempt. The natural order of things is no where ſo little diſturbed by regulations favouring or depreſſing particular ranks, and without neceſſity interfering with private concerns; regulations often very wiſe in the eſtimation of ſuperficial moraliſts and politicians, but always ultimately injurious.

The

The effect of this is, that the real diviſion of wealth and income in this country approaches very nearly to that regular progreſſion which I have been deſcribing.

Far the greater part of our preſent poſitive and legal inſtitutions at all connected with this queſtion, have a manifeſt tendency to cauſe a diffuſion rather than accumulations of wealth: but there is an oppoſite circumſtance, wholly unconnected with any internal regulations, which almoſt balances the popular tendency (I might perhaps ſay, the otherwiſe almoſt too popular tendency) of ſome of our more recent modes of providing for the public neceſſities; by very greatly increaſing the aggregate wealth of the higher claſſes; for to them almoſt excluſively belong the vaſt remittances of the gains by foreign enterpriſe, and income from foreign poſſeſſions.

If the clear income of a land-owner, who has neither enlarged nor diminiſhed the poſſeſſions of his anceſtors, is compared with thoſe of his tenants, or ſtill more with thoſe of the labourers

on his farms, it will be ſeen that the difference is very much leſs at preſent than it was at the cloſe of the laſt century; for though the money price of his rents is greater, yet it will not purchaſe ſo much now as the ſmaller income did a hundred years ago. If only the value and income of labour in huſbandry were compared with the value and income of lands, the diſproportion between them would be much *leſs* than the natural progreſſion that I have ſtated. But the immenſe influx of wealth from foreign ſources, for many years paſt; and the almoſt excluſive poſſeſſion of that wealth by thoſe who rank high in the ſcale of property, not only balances the effect of thoſe laws which charge the rich with national burdens in an increaſing proportion; but cauſes that the difference between the ſucceſſive ranks of ſociety is in this reſpect *greater* than it would otherwiſe be.

I have ſtated this a little more at large than I ſhould otherwiſe have done, for the ſake of a ſhort digreſſion on the different preſſure of the income tax, and that by increaſed aſſeſſment.

From neceſſary circumſtances, *direct* taxes in general will be levied on the expences which are moſt viſible, or, to uſe a modern metaphor, moſt tangible. It has alſo been a part of the recent policy of this country (and, within prudent limits, it is a very good policy) to aſſeſs ſeveral of our direct taxes in a ratio progreſſively increaſing.

But it is alſo true, that the greater part of our *direct* taxes are levied on objects more conducive to the accommodations of a country life, than to thoſe of inhabitants of towns. A country life requires many domeſtic conveniences, which in towns are either not at all wanted, or may be eaſily obtained, and with leſs expence, from other perſons. It conſequently, upon the ſame ſcale of expenditure, requires more ſervants, larger habitations, more windows, more horſes, &c. &c. &c.

It follows, that at preſent the burden of aſſeſſed taxes is not really born in a ſimply increaſing proportion to the means of ſupporting them, as it is alleged; but in a complicated proportion de-

pending on the place of reſidence; bearing far more heavily on the inhabitants of the country than thoſe of towns, and conſequently on land-owners than on other men of property; and taking moſt from incomes, which, though nominally increaſing by an augmentation of rent, yet really bear a decreaſing proportion to the whole national wealth; and that from circumſtances which ought not to be controlled, even if it could be done.

In this view of the queſtion, the good policy of many of our direct taxes is very diſputable. They have a tendency to diſcourage the reſidence in the country of thoſe who muſt pay them; and to diminiſh the invaluable benefit of a general diffuſion of men of reſpectability throughout the kingdom. They fall with double force on diminiſhing incomes, and ſcarcely affect in any thing near an equitable proportion thoſe which from various cauſes are increaſing with unparalleled rapidity.

With how much greater preſſure then muſt the triple aſſeſſment have fallen on the inhabitants of the

the country than on thoſe of towns? and conſequently on landed and agricultural, than on monied and trading incomes? In this way I conſidered that meaſure when firſt it was propoſed; the ſame data, and the ſame train of reaſoning on which I rely in the preſent inſtance, convinced me that the former deſcription of perſons pay aſſeſſed taxes on equal incomes, in, at leaſt, a triplicate proportion to the latter; that the increaſed aſſeſſment would, on an average, amount to *much more* than one tenth of the incomes of the former, and not one thirtieth of thoſe of the latter; and conſequently that the produce of the tax being reduced by both theſe cauſes, would fall greatly below the general expectation. This is already confirmed in many inſtances by compariſons of the local produce of that tax, and of the preſent ten per cent. on income; and I have little doubt but that the general event will verify my conjecture; and that on an average of all towns on the one part, and the country on the other, the towns will pay more than laſt year in very nearly a triplicate proportion, while the country will ſcarcely pay as much as it did by the

the former aſſeſſment; reduced as that was in a great many caſes by deficiency of income.

I am not combating the propriety of the meaſure adopted laſt year, if conſidered merely as preparatory and experimental; but I wiſh to ſhow, that any long-continued perſeverance in the principle of it, even upon a much leſs extenſive ſcale, would ultimately be productive of indeſcribable injury to the whole community.

An *equal* tax on all incomes, according to their true amount, and only exempting thoſe which are chiefly gained by *manual* labour, is in its principle far more juſt; and among a moral and intelligent people, like the Britiſh nation, will be much more generally approved. With reſpect to the exemptions and allowances that have been adopted in the preſent inſtance, the humane and benevolent ſpirit which ſuggeſted them cannot be too much praiſed, and I readily admit that *ſome* modifications are expedient; but whether in their preſent form they have not created diſcontent and jealouſy of one another, even among

among the perſons moſt relieved by them; whether they apply in any thing like a due proportion to the equitable reaſons for abatement; and whether the preſent conſtruction of the ſcale by which they are made has any conveniences, which can compenſate for the immenſe diminution of the tax, when compared with its produce if aſſeſſed by one more equably progreſſive—as to theſe queſtions, I cannot but entertain very conſiderable doubts.

I am now to apply my hypotheſis of a diviſion of national income in arithmetical progreſſion, modified by local circumſtances; and attempt to compute by it the portions, which, under the regulations of the preſent act, will reſpectively be either aſſeſſed at the rate of ten per cent. or according to the ſcale of abatement, or will be totally exempted.

After examining this queſtion in various ways, I find ſufficient reaſon to believe, that though the liberal ſpirit of our laws and cuſtoms has a ſtrong tendency to bring incomes nearer to a level than they might otherwiſe be; yet this is very

conſi-

conſiderably counteracted by the immenſe influx of wealth from foreign poſſeſſions; and conſequently, by an increaſe of the aggregate capital and income of the higher claſſes; becauſe this influx of foreign capital, and produce of foreign poſſeſſions, belongs to them almoſt excluſively. It is alſo probable that though in this country the inſtitutions and cuſtoms of a ſtate of ſociety which formerly extended to this as well as to almoſt every other part of Europe, and was peculiarly adapted to concentrate property in few hands, have long ſince ceaſed to operate; having gradually, and without tumult, yielded to the wiſdom of a benevolent and permanently active legiſlation; yet the effects of thoſe inſtitutions and cuſtoms have not entirely ceaſed, and a part of the exiſting diſproportion is to be attributed to the remote conſequences of the very limited diviſion of landed property which they occaſioned; but which is hourly diminiſhing; for landed property is not only much more divided now than formerly, but the proportion alſo of its value to that of human labour, and of other property, has greatly decreaſed, and is ſtill decreaſing.

The

The following ſcale is conſtructed with attention to the circumſtances that I have juſt mentioned, and I believe repreſents very nearly the true diviſion of Britiſh income.

I have ſtated the total income at 209,250,000*l.*: probably, on a more accurate analyſis of the gains by labour, this ſum might be ſomewhat, though not materially, increaſed. I ſhall therefore take in the ſubſequent calculation 210,000,000*l.* inſtead of it; but ſince 4,000,000*l.* a year of this is in fact an adventitious income from foreign poſſeſſions, that part ought, in the preſent view of the queſtion, to be ſeparately conſidered.

There remain 206,000,000*l.* which I ſuppoſe to be divided among 2,530,000 families, of which 2,200,000*l.* are in South Britain, and 330,000*l.* in Scotland.

Twenty Claſſes.	Income of each Claſs.	Families in each.	Individual Incomes.
1	— £.13,150,000	— 12,050	— £.1091
2	— 12,850,000	— 24,100	— 533
3	— 12,550,000	— 36,130	— 347
4	— 12,250,000	— 48,200	— 264
5	— 11,950,000	— 60,250	— 198
6	— 11,650,000	— 72,300	— 159

Twenty Claſſes.	Income of each Claſs.	Families in each.	Individual Incomes.
7	£.11,350,000	84,350	£.134
8	11,250,000	96,400	114
9	10,750,000	108,450	99
10	10,450,000	120,500	86
11	10,150,000	134,550	76
12	9,850,000	144,600	68
13	9,550,000	156,650	60
14	9,250,000	168,700	54
15	8,950,000	180,750	49
16	8,650,000	192,800	44
17	8,350,000	204,850	40
18	8,050,000	216,900	37
19	7,750,000	228,950	33
20	7,450,000	241,000	30

In this ſcale the whole number of families in Great Britain is divided into twenty claſſes, of which the numbers increaſe downwards in arithmetical progreſſion. The whole income alſo, excepting that derived from foreign poſſeſſions, is divided into twenty portions, which for the reaſons before mentioned, inſtead of being made equal, diminiſh by 300,000*l.* ſucceſſively.

If, inſtead of this correction, an equal diviſion into twenty parts had been adopted, the lower parts of the ſcale, which are made up almoſt entirely of wages and parochial contributions, would have been ſtated higher than the average of forty-

five

five pounds, at which they have been previouſly taken in making up the ſum which is now to be divided.

If a greater correction had been adopted, then the oppoſite effect would have taken place in the lower part of the ſcale.

If, again, it ſhould be ſaid, that I have rated the population too high; then let the more common calculation of 9,500,000 perſons, or 1,900,000 families, be ſubſtituted. In this caſe the gains by labour, and the profits of internal trade, muſt be proportionately reduced; and the former will give only 76,000,000*l.* and the latter no more than about 16,900,000*l.* and the whole income will be reduced from 206,000,000*l.* to 179,000,000*l.*; of which the diſtribution, by an arithmetical progreſſion, will make the ſhares in the lower part of the ſcale very manifeſtly too great. But ſince every pound taken from the loweſt claſs, in order to correct the error, would add twenty to the higheſt; ſuch a reduction of the incomes of the lower claſſes would increaſe the upper parts of the ſcale beyond all probabi-

lity, when compared with various other grounds of calculation and conjecture reſpecting them.

If thoſe of the higheſt claſs in this ſcale appear to have in it leſs incomes than on an average they really poſſeſs, it muſt be recollected, that the 4,000,000*l.* reſerved as derived from foreign poſſeſſions belong to this claſs and the next almoſt excluſively; but chiefly to this; ſo that if 3,500,000*l.* of the ſum above are added to it, the incomes, inſtead of 1091*l.* will be 1381*l.* which calculation probably rather exceeds than falls ſhort of the truth.

The remaining 500,000*l.* from foreign poſſeſſions, if divided among the ſecond claſs, will increaſe the incomes in it to 553*l.* a year.

Without pretending to claim for this calculation a greater degree of credit than the nature of ſuch inquiries will admit, I have yet ventured to adopt it, as being ſufficiently near to the truth for the purpoſe of computing the produce of the income tax within no very remote limits.

We

We are to recollect, that by regulations introduced after this tax was firſt propoſed, various explanations and modifications were adopted, tending to alleviate its preſſure in ſeveral inſtances; and conſequently to reduce its produce below the original calculation. The almoſt univerſal belief that the original calculation was very low, perhaps introduced ſome of theſe abatements with more facility than they would otherwiſe have experienced. The produce of timber is now taken as capital, aſſeſſed taxes and allowances to relations are deducted, and very conſiderable defalcations ariſe from the preſcribed modes of eſtimating income in various caſes.

It is evident that only the four firſt claſſes in this ſcale, and a ſmall part of the fifth, can have incomes large enough to be aſſeſſed at ten per cent. But ſince, from the cauſes which I have juſt been mentioning, their whole income will exceed the taxable part by at leaſt five per cent., it will be found that, after this deduction, very few of the fifth claſs can have more than 200*l.* a year of taxable income.

I appre-

I apprehend therefore that the payment of ten per cent. will be confined to about 125,000 families, at moſt, who may be ſuppoſed to poſſeſs collectively, and including 4,000,000*l.* from foreign poſſeſſions, about — £.55,700,000

And deducting five per cent. for reaſons before ſtated — 2,785,000

Their taxable part will be — £ 52,915,000

Allowing four per cent. for children 2,116,600

£.50,798,400

The groſs produce, therefore, of this part of the tax will be — £. 5,079,840

The next queſtions are—How many families will pay the abated tax?—and in what proportions?—and to what amount will they be charged?

On a reference to the ſcale which I have given, it will appear that the claſſes in it, from five to twelve incluſive, really have incomes exceeding ſixty pounds a year; but it muſt be remembered, that

that the ſame deductions which have been made from the preceding claſſes apply alſo here, though in a diminiſhing proportion; and it muſt alſo be obſerved, that far the greater portion of the incomes of the lower of theſe claſſes is the produce of manual labour; and much of the remainder in all of them ariſes from the profits of petty manufacturers and retailers, who very ſeldom keep regular accounts, and are by no means likely to calculate their gains without many omiſſions, though they may not mean to evade the aſſeſſment.

With reſpect to the manual labour of the numerous claſs of inferior farmers and their families, though it really makes the moſt important part of their revenue, yet from the mode preſcribed for eſtimating farming incomes, it never can be reckoned into the taxable part of them at all—and with reſpect to all other gain by manual labour, made by families who have ſome little income beſides, but who muſt chiefly ſubſiſt by working, I ſuppoſe it was not the intention, and I am ſure it will not be practicable, to

aſſeſs

aſſeſs them for much more than merely the produce of their capitals.

I therefore ſuppoſe that only families from the fifth to the eleventh claſſes incluſively, will be at all affeſſed in the abated proportions, and that all below muſt be conſidered as totally exempted.

The families in theſe exempted claſſes amount to 1,735,200, and their incomes collectively are ſtated at 77,850,000*l.* But in a former part of this pamphlet I eſtimated the families of this deſcription in England and Wales at 1,500,000, and to theſe muſt be added about 250,000 for Scotland; in all, 1,750,000, which very nearly correſponds with this ſcale; and I eſtimated their incomes at 45*l.* each, which would amount to 78,750,000*l.* and agrees as well with the preſent calculation as could be expected.

The families included in theſe ſeven claſſes amount to 674,800, of which however 4500

 have

have been already included amongſt thoſe who will probably be aſſeſſed at ten per cent.

I conſider the remaining 670,300*l.* as likely to pay nearly according to the following ſtatement:

Claſs of the	Income. £.	Deduct. per Cent.	Taxable Part. £.	Shares.		Produce. £.
					At one	
5th	11,005,000	8	10,124,600	181	14th	723,185
6th	11,650,000	10	10,485,000	147	22d	476,509
7th	11,350,000	12	10,088,000	119	34th	296,066
8th	11,050,000	14	9,503,000	98	45th	211,066
9th	10,750,000	16	9,030,000	83	60th	150,500
10th	10,450,000	18	8,569,000	71	70th	122,414
11th	10,150,000	20	8,075,000	69	120th	67,291
					Total	£.2,047,670
From which muſt be deducted for about 70,000 families of the 11th claſs, whoſe incomes will fall below the average of 60*l.* a year - -						33,645
						2,014,025
Add the part above, ten per cent. - - -						5,079,840
And the groſs produce will be - - -						£. 7,093,865
Subject to a reduction for the expences of collecting.						

In a ſubject ſo complicated, and in which there are ſo many chances of error, I ſhould think myſelf guilty of great preſumption, if I relied on the correctneſs of all the parts of theſe

ſtatements. All I mean to infer from them is, that no good grounds can be aſſigned for any ſuch material deviations from the ſcale which I have given, as can make any conſiderable alteration in the inference from it; no grounds for ſuppoſing that the real produce of the tax, if fairly paid, can be a fifteenth part different from the ſum at which I have ſtated it; that is, either leſs than 6,500,000*l.* or more than 7,500,000*l.*

I have taken 125,000 as the number of families which will be aſſeſſed for 200*l.* a year, and upwards. But, by the "Account of Perſons who pay the Duties on Windows and Inhabited Houſes, impoſed by Acts 6th, 19th, and 24th Geo. III." delivered to the Houſe of Commons the 1ſt of December 1797, it appears that perſons paying for thoſe taxes at the rate of 2*l.* and upwards, amount to 132,639; and all the remaining perſons, who pay any thing at all, would be only 454,841. It alſo appears by the "Table, ſhowing the Amount of the ASSESSED DUTIES under-mentioned, and the RATES as propoſed to the Committee of the whole Houſe (of Commons),

Commons), the 19th of March 1798," that of 690,837, being there ſtated as the whole number of aſſeſſed houſes, thoſe which have thirteen windows, and upwards, amount to 134,584. If any reliance at all could be placed on the accuracy of theſe papers, an inference from them might perhaps be worth comparing with the calculations of this tax, which have been made from other data; and the reſult might be ſomewhat, but, I believe, not very materially different. However, without intending the ſmalleſt imputation on the diligence or accuracy of the perſons who officially prepared thoſe papers, their incredible diſproportion to one another, and various other circumſtances, muſt convince any one who will examine the queſtion, that the returns to the Tax office are too defective to allow the poſſibility of forming from them any probable conjecture as to the true number of aſſeſſed houſes, or the progreſſion of the ſums paid under the different parts of the ſcale.

There can be no doubt, but that the houſes really aſſeſſed are many more than they appear in this paper; and it is equally certain, that, in

many inſtances, the aſſeſſments themſelves omit great numbers that ought to be included, and rate many others in a lower proportion than they ought to pay.

The queſtion which I have undertaken to examine, is very cloſely connected with that of the population of Great Britain; for it is manifeſt, that, in proportion as the inhabitants are more or leſs numerous, that part of the national income which is derived from its capital, will be more or leſs divided; and alſo that part which is derived from labour, will be materially different.

But as a very ſmall portion only of the latter can be ſubject to this tax, the queſtion turns almoſt entirely on the diviſion of the former. If there were no exemption and no abatements, there would then be no difference, whether the ſum * which I have ſtated as the produce of the national capital, were divided among 780,000 families, as I have ſuppoſed, or only

* That is, 11,000,000*l.* for England and Wales, and 1,650,000*l.* which now appears to be a probable calculation for Scotland.

585,770, which would be the reduced number, if the inhabitants only amounted to 9,500,000, inſtead of 12,650,000. The tax being, in either caſe, ten per cent. on the whole income, its produce would, ſo far, be exactly the ſame in both inſtances; and would only be varied by a ſmall increaſe for the profit of the higher ſpecies of labour, which muſt bear a proportion to the greater number of perſons employed in the latter inſtance than in the former.

But the exemptions and abatements alter the queſtion entirely; for, if from 110,250,000*l.* (at which ſum I have calculated the income, correſponding with Mr. Pitt's ſtatement of 125,000,000*l.*) we ſubtract the two articles of 4,000,000*l.* for foreign poſſeſſions, and 5,000,000*l.* for gains by labour; and then divide the remaining 101,250,000*l.* among 585,770 families, the medium ſhares will be 172*l.*; but if it is divided among 780,000 families, they will not be quite 130*l.* Now, if we ſuppoſe that this ſum is diſtributed in ſhares, at all approaching to any regular progreſſion, it will follow, that, in the former caſe, the produce of the aſſeſſment will be,

be, to that in the latter, nearly as four to three. If, therefore, the ſcale which I have given is adapted to this leſs numerous population, then this part of the tax, inſtead of about 6,180,000*l.* will produce 8,240,000*l.*; and adding 900,000*l.* for the parts of income not included, the whole will be 9,140,000*l.* inſtead of 7,100,000*l.*

If, inſtead of my ſtatement of the national income from capital, that of Mr. Pitt is adopted, then, after ſubtracting from it the ſame two articles, we have 118,000,000*l.* to be divided, inſtead of only 101,250,000*l.* and the produce will be greater in almoſt the ſame proportion. Taking the population at 9,500,000, it will be about 10,650,000*l.*; and, at 12,650,000, it will be only about 8,300,000*l.*

Another not unimportant remark applies to the ſcale by which the abated aſſeſſments are regulated. It was, no doubt, very proper to reduce the rate of payment, in proportion to the ſuppoſed diminution of ability to pay. If I am right in ſuppoſing that the average gains by manual labour are 45*l.* a year; and if it ſeems

equitable

equitable to exclude manual labour, unimproved by expenſive education *, and that only, from paying to this tax, then I think the exemptions ſhould not have extended beyond 45*l.* or, with a very liberal allowance, 50*l.* a year. I muſt alſo think, that, as the ſcale begins too late, ſo it ſtops conſiderably too ſoon. In this queſtion, a good deal depends on the degree in which the remaining income, after paying this new tax, is adequate to enable the perſons paying it, to ſupport that relative ſituation in ſociety to which they have been accuſtomed. But, from the habits of this country, the expenditure is by no means equally progreſſive in the ſame manner as the incomes. From the families which keep no ſervants, to thoſe who keep only one female ſervant, there is a ſudden change of expence, probably amounting to conſiderably more than one eighth of the average incomes where that

* Adam Smith has very properly obſerved, that any expence of education is, in fact, to be conſidered as capital. The knowledge of an art or a profeſſion is, indeed, a ſpecies of trading ſtock in the perſon who poſſeſſes it; if it coſt him much money to obtain it, that money would otherwiſe have given an income in ſome other form; if he has been fortunate enough to acquire it without expence, the reaſon why it ſhould be conſidered as taxable, is not leſs ſtrong than with reſpect to any other acquiſition.

change

change takes place. Between the richeſt claſs which only employs female ſervants, and the pooreſt which employs a male ſervant, there is another ſudden change of expence, increaſed by the tax; and which can be little, if at all, leſs than one eighth of the average incomes at that point where the change commences; and ſo with reſpect to many other things, which I admit are not to be ranked among the neceſſaries of life, but are among that claſs of its conveniences, which can hardly be given up without feeling an unpleaſant degradation.

I admit that it muſt be altogether impoſſible to provide any remedy for theſe inequalities; and that any attempt to do it would be exceedingly abſurd; but I think that the preſent ſcale of abatement in ſome meaſure contributes to increaſe this inequality; though certainly not with ſuch extreme ſeverity as the increaſed aſſeſſments. For obvious reaſons, reſulting from theſe remarks, the progreſſion of the ſcale, in point of common equity, ought to be more *equable* than it now is. A family of 105*l.* a year income, is probably not ſo well able to pay the ſame ſum to this

this tax as one of 90*l.* a year, if the former keep a maid-ſervant and the latter does not; a difference which generally exiſts between their ways of living. And for many ſimilar reaſons, on a fair analyſis of the expenditure of different claſſes, it will be found that even if the tax were equally levied from its commencement, there would be no families on whom it would bear ſo heavily as thoſe between 3 and 400*l.* a year, becauſe there are none whoſe incomes are ſo inadequate to their ſtations and general habits of life.

I could therefore very much wiſh that the ſcale ſhould be extended from 50 to 500*l.* a year; and, if the progreſſion of it were altered, this might not only be done without diminution of the total produce; but the ſcale would become more equitable, and far more productive.

It appears to me that by ſome inadvertence, or miſapprehenſion, the preſent progreſſion of the ſcale is exactly the reverſe of what in theory it ought to be. The principle of an abatement is, I preſume, adopted upon an idea, that in pro-

portion as the incomes are ſmaller, there is leſs ability to pay. In that caſe the rate of abatement, inſtead of being *greateſt* at the point where it commences, that is, between 200 and 195*l.* a year, ought, beyond a doubt, to be *leaſt* there; and to increaſe as the incomes diminiſh, inſtead of being in its preſent form.

But if the rate of increaſe in the ſcale, inſtead of being reverſed, were only made equal through its whole preſent extent, then the ſame income which now pays only 2,014,000*l.* would pay no leſs than 3,564,000*l.*; and if the ſcale were reverſed, it would pay 5,114,000*l.* which if added to the 5,079,840*l.* paid by thoſe who are aſſeſſed at full ten per cent. would be 10,193,840*l.* ſubject to expences of collection. But a more equable ſcale, though leſs productive, would for many reaſons be far more eligible.

The moſt material parts of the ſubſtance of this pamphlet are taken from three letters which I ſent to a friend, of eminent talents and reſpectability, on the 7th, 15th, and 19th of laſt December. In the firſt of them I ſuppoſed that the

tax might produce almoſt, but not quite, 8,000,000*l.*; not being then ſufficiently aware of the immenſe diminution reſulting from the conſtruction of the ſcale of abatement;—in the ſecond, I ſuggeſted a more equable ſcale, conſtructed by the following rule:—To 10*s.* the tax for 60*l.* add 3*s.* 9*d.* for the tax of 65*l.*; in the third ſtep add to the tax of that preceding it, 4*s.* 6*d.*; and ſo to each following ſtep progreſſively, add nine-pence more than the addition to the preceding one. In this way a regular ſcale is obtained, commencing, like that now uſed, at 10*s.* for 60*l.*; and increaſing to 19*l.* 18*s.* 6*d.* for 200*l.*; or by only the ſmall addition of 1*s.* 6*d.* exactly correſponding with the termination of the other. In the third letter I ſtated that the tax would not produce 7,000,000*l.*; an opinion which I have not ſince obſerved any reaſon to alter.

A part of this pamphlet was printed before Mr. Pitt's ſpeech on Friday laſt. By that ſpeech I am confirmed in my own calculations on this ſubject. If my opinion had been founded on any circumſtances tending to depreſs the national ſpirit; to repreſent us as exhauſted, enfeebled,

impoveriſhed, and unable to perſevere in the glorious ſtruggle which we have hitherto made with ſo much energy, for our own political exiſtence, and for the general liberty of Europe; if it were not, on the contrary, founded on a conviction that we have been chiefly involved in this conteſt from the general ignorance on the continent of our real ſtrength; from a belief that our ſyſtem of finance was founded on a baſis little more real than the gold-mines of Miſſiſſippi; and that the ſmallneſs of our numbers made it preſumption in us to aſpire to more than a very ſubaltern place among the nations of Europe; if I were not convinced, and able to demonſtrate, that theſe notions reſpecting us are in every reſpect falſe, I ſhould probably have refrained from publiſhing my ſentiments, and ſilently lamented the approaching miſeries of my country.

Europe ſtill looks to *us* for help: notwithſtanding the military ſucceſſes which have ſo wonderfully changed the ſcene, ſhe ſtill depends on us; and an idea that we have even a ſlowly-diminiſhing ability to carry on the war, might, even now, occaſion a very miſchievous deſpond-

ence

ence on one part, and obſtinacy on the other. I rejoice to ſee the ſelf-confiding energy of Britons !—to ſee that we are triumphant becauſe we dare be ſo ;

——Ego me nunc denique natum
Gratulor !

If ever there was a reaſon for glorying in the national character, it is now. We have reſiſted violence with firmneſs ; we have heard without diſmay the threats of a nation which was ſweeping mankind from the earth ; we have beheld powerful kingdoms hiding their heads like the oſtrich, and yet leaving themſelves expoſed to deſtruction ; we have been deſerted, left alone to fight againſt the enemy of laws and of religion ; yet *we* have never meanly ſhrunk from the conteſt !

To the intrinſic power of the nation ; to its morals ; to the adminiſtration of public affairs ; to the Exalted Character placed by Providence on the throne of this country, and protected by his care, we owe theſe unparalleled bleſſings.

If in the courſe of this pamphlet I have expreſſed opinions contradicting thoſe which have been

been ſanctioned by great authority; yet I hope I have not done it in a captious or contentious manner. It cannot be the lot of any one man, however great his talents, to act every part in the drama of ſocial life; and much muſt be left to others who may neither be equally able, nor equally diligent. Next in point of merit to the important meaſure of providing for the gradual extinction of the old public debt, which Mr. Pitt propoſed with ſo much good ſenſe, and has perſevered in with ſo much honour, is his preſent plan for preventing as much as poſſible the dangerous accumulation of a new one. The income tax is founded in moral equity and political wiſdom; and heavy as it is, the people do not murmur at it, becauſe they ſee its neceſſity; and I ſhould be more ſorry that it has failed (and muſt, under *any prudent* modifications, ſtill fail) of being ſo productive as was expected, if I did not know that this failure, inſtead of being a reaſon for deſpondency, is chiefly occaſioned by circumſtances which ought to give additional confidence, by a more general diffuſion of wealth among a greater number of inhabitants. It has been too much the faſhion of late to magnify,

either

either from malignity or from ignorance, the diſparity of human conditions. If the diviſion of income among us were really ſo unequal as it is continually repreſented by declaimers, where would thoſe myriads of the middle claſs have been found, who have armed at their own expence for the general protection? If the inequality of income has been increaſing, how is it that all taxes on articles of univerſal conſumption are hourly more productive, while thoſe of an oppoſite kind are many of them diminiſhing? that, with reſpect to new taxes, thoſe which bear on the general population uſually exceed, or at leaſt equal expectation; while thoſe which bear on articles of limited uſe, or, like this, are founded on a ſpeculation of greatly concentrated income, almoſt always fall ſhort of the firſt calculations?

I find myſelf, from circumſtances with which it is unneceſſary to trouble the reader, obliged to poſtpone, for a ſhort time, the Second Part of this pamphlet, in which I ſhall attempt to make a calculation of the national capital, to explain the ſources of our wealth, and to ſtate ſome very important facts reſpecting the progreſſive increaſe

of

of the inhabitants of England and Wales, from about 6,000,000, which was probably their number about ninety years ſince, to 11,000,000, which is, on a moderate computation, their number now. I hope that, in one reſpect at leaſt, I ſhall be ſucceſsful; and that, though ſome of my reaſons may be combated, yet the general facts will teach Britons to love their Country, their Religion, and their Government, with a warmer affection than they now do, if that can be poſſible!

June 13th, 1799.

THE END.

ERRATUM.

Page 27, line 20, 21—*for*, not leſs than 4,500,000*l.* *read*, between 4,000,000*l.* and 4,500,000*l.*